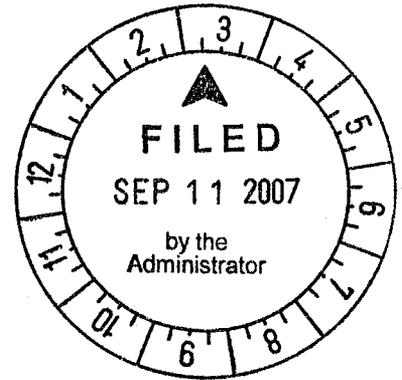


STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA



In the Matter of:

Richard Craig Hammill
(CRD No. 1596644),

Respondent.

ODS File No. 06-082

ORDER

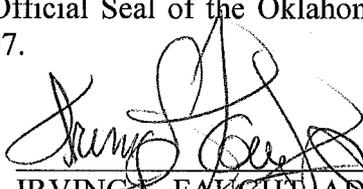
Pursuant to the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), and the Oklahoma Securities Act ("Predecessor Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 and Supp. 2003), the Enforcement Division ("Enforcement Division") of the Oklahoma Department of Securities ("Department") conducted an investigation into the activities of Richard Craig Hammill ("Respondent") in connection with the offer and/or sale of securities in and/or from the state of Oklahoma. Based thereon, the Enforcement Division recommended that the Administrator of the Department ("Administrator") sanction Respondent ("Recommendation").

In order to resolve this matter, Respondent voluntarily executed the *Agreement* that is attached hereto as "Attachment A" and incorporated herein by reference ("Agreement"). The Findings of Fact and Conclusions of Law contained in the Recommendation are incorporated herein by reference.

NOW THEREFORE, IT IS HEREBY ORDERED that any future registration of Respondent under the Act, or any successor act, be conditioned upon Respondent's payment of a civil penalty in the amount of \$15,000 per the terms set forth in the Agreement and if Respondent fails to make payment per the terms set forth in the Agreement, Respondent's application for registration shall be deemed withdrawn.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 11th day of September, 2007.

(SEAL)



IRVING L. FAUGHT, ADMINISTRATOR OF
THE OKLAHOMA DEPARTMENT OF SECURITIES

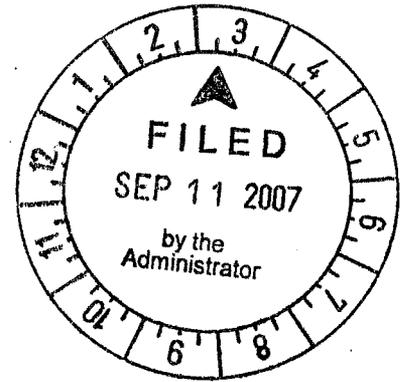
CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 11th day of September, 2007, a true and correct copy of the above and foregoing *Order* was mailed by first class mail with postage prepaid thereon addressed to:

D. Michael O'Neil
Day, Edwards, Propester & Christensen, P.C.
2900 Oklahoma Tower
210 West Park Avenue
Oklahoma City, OK 73102-5605
(Counsel for Respondent)

Brenda London

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA



In the Matter of:

Richard Craig Hammill
(CRD No. 1596644),

Respondent.

ODS File No. 06-082

AGREEMENT

THIS AGREEMENT is entered into between Richard Craig Hammill ("Respondent") and the Administrator ("Administrator") of the Oklahoma Department of Securities ("Department") as of the Effective Date set forth below.

Pursuant to the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), and the Oklahoma Securities Act ("Predecessor Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 and Supp. 2003), the Enforcement Division of the Department ("Enforcement Division") conducted an investigation into the alleged 1997-1998 activities of Richard Craig Hammill ("Respondent") in connection with the offer and/or sale of securities in the form of notes in and/or from the state of Oklahoma. Based thereon, the Enforcement Division recommended that the Administrator take certain action against Respondent ("Recommendation"). The Recommendation is attached hereto as "Attachment A" and is incorporated herein by reference.

The Enforcement Division filed the Recommendation with the Administrator on June 25, 2007. On June 30, 2007, the Administrator issued a Notice of Opportunity for Hearing ("Notice") allowing Respondent twenty (20) days after service of the Notice to request a hearing on the Recommendation. On July 17, 2007, Respondent's counsel filed an entry of appearance and requested a thirty (30) day extension of the time period in which to request a hearing.

The Department and the Respondent desire to expeditiously resolve this matter without the adjudication of any issue of law or fact. Respondent voluntarily waives his right to a hearing provided by the Act, the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities, and the Oklahoma Administrative Procedures Act.

NOW THEREFORE, the undersigned parties hereto agree as follows:

1. **No Admission or Denial of Recommendation.** Respondent enters into this Agreement without admitting or denying any of the allegations, findings of fact, or conclusions of law or other statements contained in the Recommendation.

2. **Deferred Civil Penalty.** Respondent is not currently registered under the Act and has not been registered under the Act since 2004. Respondent agrees to an order to be issued by the Administrator in the form attached hereto as "Attachment B," imposing a deferred civil penalty against Respondent in the amount of \$15,000 as a condition precedent to his future registration under the Act. Accordingly, any future registration of Respondent under the Act, or any successor act, is conditioned upon payment of the deferred civil penalty. Respondent agrees to pay the deferred civil penalty within seventy-two (72) hours of written or verbal notification from the Department that Respondent's application for registration will be approved upon payment of the deferred civil penalty. Respondent agrees to pay the deferred civil penalty by check, money order, or cashier's check payable to the Oklahoma Department of Securities. The Department shall receive Respondent's payment on or before the date it is due at the following address: Oklahoma Department of Securities, 120 North Robinson Avenue, Suite 860, Oklahoma City, Oklahoma 73102.

3. **Consideration.** In consideration for this Agreement, the Administrator will not take any further action against Respondent for the alleged activities that are the basis of the Recommendation.

4. **Failure to Comply.** Respondent agrees that if he attempts to become registered under the Act in the future and fails to pay the deferred civil penalty in accordance with the terms set forth above in item 2, any future application of his for registration under the Act shall be deemed withdrawn.

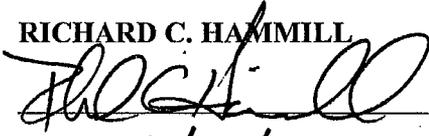
5. **Entire Agreement; Amendment.** This writing constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations, and understandings of the parties. No supplement, modification, or amendment to this Agreement shall be binding unless executed in writing by each of the parties hereto.

6. **Limitation on Agreement.** Nothing in this Agreement shall prohibit the Administrator from providing information relating to this matter to any other properly constituted agency or authority in response to an appropriate request for information received from any such agency or authority.

7. **Effective Date.** This Agreement shall be effective as of the date on which it is signed by the Administrator as set forth below his signature hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year set forth below their signatures hereto.

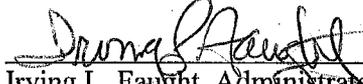
RICHARD C. HAMMILL



Date: 9/10/2007

Address: 1532 NW 179TH TERR
EDMOND, OK. 73012

OKLAHOMA DEPARTMENT OF SECURITIES

By: 
Irving L. Faught, Administrator

Date: September 11, 2007

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Richard Craig Hammill
(CRD No. 1596644),

Respondent.

ODS File No. 06-082

ENFORCEMENT DIVISION RECOMMENDATION

Pursuant to the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), and the Oklahoma Securities Act ("Predecessor Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 and Supp. 2003), the Enforcement Division of the Oklahoma Department of Securities ("Department") conducted an investigation into the activities of Richard Craig Hammill ("Respondent") in connection with the offer and/or sale of securities in and/or from the state of Oklahoma. Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are submitted to the Administrator of the Department ("Administrator") in support of sanctions against Respondent.

Findings of Fact

1. Respondent was registered in this state as an investment company and variable contracts products agent, a category of broker-dealer agents, of MONY Securities Corporation ("MONY") from June 14, 1989 until May 18, 1999, and an investment company and variable contracts products agent of Signator Investors, Inc. ("Signator") from June 11, 1999 until March 3, 2004. At all times material hereto, Respondent was registered with the NASD as a limited representative for investment company and variable contracts products. At no time material hereto has Respondent been registered in this state as an issuer agent or a general securities agent, a category of broker-dealer agents. Respondent has not been registered as a broker-dealer agent in this state since March 2004. Respondent is currently self-employed as a consultant to businesses on employee health benefits.
2. At all times material hereto, Respondent held the Series 6 and 63 licenses. Respondent did not hold any other securities licenses.
3. At all times material hereto, Respondent resided in the state of Oklahoma.
4. In or around 1998, Respondent separately offered four (4) Oklahoma residents, JS, CM, MP, and MVM (collectively referred to as "Investors"), the opportunity to earn

investment income by providing Henry T. Pham, or a business entity under his control ("Pham"), with a monetary loan in exchange for a promissory note obligating Pham to repay the principal amount of the loan plus a stated rate of interest at a fixed time ("Note").

5. At or around the time the Notes were offered to them, the Investors, or their relatives, were brokerage clients of Respondent.

6. In connection with the offer to sell the Notes, Respondent, directly or indirectly, represented to at least three of the Investors that he had entered, or was going to enter into a transaction with Pham on the same, or similar, terms as those contained in the Notes offered to the Investors.

7. JS, CM, MP, and MVM each accepted Respondent's offer and paid funds, totaling over \$400,000, to Pham in exchange for Notes. Respondent coordinated the sales transactions by, among other things, providing Investors with promissory note check lists and payment information. In at least one instance, Respondent went to a bank with both Pham and an Investor to arrange the Investor's payment.

8. The proceeds from the sale of the Notes were to be used by Pham for the general financing of a business, or businesses, under his control.

9. The Investors knew very little, if anything, about Pham or Pham's financial status at the time they purchased the Notes. The Investors purchased the Notes primarily in reliance on their trust in Respondent.

10. Contrary to his representations to Investors, Respondent never purchased a Note or entered into a loan transaction with Pham.

11. Certain Investors purchased new Notes each time their prior Note matured. In some instances, Respondent participated in arranging the purchase of the new Note.

12. At least one Investor was the beneficiary of a life insurance policy under which Pham was insured ("Insurance Policy"). Respondent was the "Broker" who sold the Insurance Policy and received commissions for the sale.

13. Pham filed for Chapter 7 bankruptcy in the United States Bankruptcy Court, Western District of Oklahoma, in October 2005 and listed the Investors in his "Schedule F" as creditors holding unsecured nonpriority claims. Pham was granted a discharge on September 26, 2006.

14. To date, Pham has not fully paid any of the Investors the principal or interest owed to them.

15. At least one Investor has not pursued his legal rights against Pham because Respondent represented to him that Pham did not have significant, if any, assets.

16. The Notes were not products of an investment company or variable contracts. The Notes are "general securities" for purposes of categories of broker-dealer agent registration.

Prior Regulatory Action against Respondent

17. In September 2001, NASD Regulation, Inc., accepted a *Letter of Acceptance, Waiver and Consent* ("AWC") from Respondent. Pursuant to the AWC, Respondent was fined \$5,000 and suspended from association with any NASD member in any capacity for ten (10) business days for effecting transfers between two mutual funds in the same fund family and between sub-accounts within a variable annuity for the accounts of two public customers without the prior knowledge or authorization of such customers, in violation of NASD Rule 2110. The violations occurred in 1998 while Respondent was associated with MONY.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

Authorities

1. Section 1-701(A) of the Act provides:

The predecessor act exclusively governs all actions or proceedings that are pending on the effective date of this act or may be instituted on the basis of conduct occurring before the effective date of this act, but a civil action may not be maintained to enforce any liability under the predecessor act unless instituted within any period of limitation that applied when the cause of action accrued or within five (5) years after the effective date of this act, whichever is earlier.

2. Section 2 of the Predecessor Act provides in pertinent part:

(d) "Agent" means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities.

* * *

(v) "Security" means any:

(1) note;

* * *

(11) investment contract;

* * *

(15) investment of money or money's worth including goods furnished and/or services performed in the risk capital of a venture with the expectation of some benefit to the investor where the investor has no direct control over the investment or policy decision of the venture[.]

3. Section 101 of the Predecessor Act provides:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly[:]

- (1) to employ any device, scheme, or artifice to defraud,
- (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, [or]
- (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

4. Section 201 of the Predecessor Act provides in pertinent part:

(a)(1) It is unlawful for any person to transact business in this state as a broker-dealer or agent unless the person is so registered under this act or unless the person is exempt from registration as provided in paragraph (2) or (3) of this subsection.

5. Rule 660:10-5-15 of the Rules of the Oklahoma Securities Commission and the Administrator of the Oklahoma Department of Securities (as amended July 15, 1998 and January 1, 2001) ("Predecessor Rules") provides in pertinent part:

(b) **Principals and agents.** The Department shall register principals and agents of broker-dealers in accordance with the following categories of registration as applicable:

(1) General Securities principal or agent – an applicant representing a broker-dealer whose activities in the securities business are not limited.

* * *

(2) Investment company and variable contracts products principal or agent – an applicant representing a broker-dealer whose activities in the securities business are limited to the solicitation, purchase and/or sale of investment company and variable contracts products.

* * *

(7) Issuer agent – an applicant whose activities in the securities business are limited solely to effecting transactions for the benefit of an issuer as that term is defined in Section 2(k) of the Securities Act.

(8) Multiple categories – an applicant may be registered in more than one category provided he is qualified to be so registered. An applicant qualified solely within one category of registration shall not be qualified to transact business as an agent in any area not prescribed by said category.

6. Rule 660:10-5-16 of the Predecessor Rules provides in pertinent part:

(a) **Examination requirement.** A written examination shall be taken by each applicant for registration as a broker-dealer agent, broker-dealer principal or issuer agent. Proof of compliance with the written examination requirements of this rule is prerequisite to a complete filing for registration in this state. Written examinations shall consist of a qualification examination(s) applicable to the category of registration applied for and a uniform state law examination. Examinations administered by the NASDR are adopted, as applicable to each individual registrant by category of registration, as the required written examination for general securities law.

(b) **Limitations on licenses.** Regardless of an association with an NASD member, each applicant for registration as a principal or agent must prove successful completion of the examinations required by this rule based upon the category of registration applied for in the state of Oklahoma.

(c) **Examination categories.** Examination categories are as follows:

(1) General securities or government securities – NASD members:

* * *

(B) Agents--Series 7 and 63 or 66

(2) General securities – Non-NASD Members/Issuers:

* * *

(B) Agents--Series 7 and 63 or 66[.]

7. Subsection (b) of 660:10-5-42 of the Predecessor Rules provides in pertinent part:

(1) A broker-dealer and his agents, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade. A broker-dealer and his agents shall not violate any rule of a national securities exchange or national securities association of which it is a member with respect to any customer, transaction or business effected in this state.

8. Section 204 of the Predecessor Act provides in pertinent part:

(a) The Administrator may issue a final order denying effectiveness to, or suspending or revoking the effectiveness of, any registration, or condition or limit registration of an applicant or registrant, or impose any sanction authorized by Section 406 of this title if the Administrator finds that the order is in the public interest and that the applicant or registrant or, in the case of a broker-dealer or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser:

* * *

(2) has willfully violated or willfully failed to comply with any provision of the Oklahoma Securities Act or a predecessor act or any rule or order under this act or a predecessor act[.]

9. Section 405 of the Predecessor Act provides in pertinent part:

(a) The Administrator in his or her discretion:

(1) may make such public or private investigations within or outside of this state as he deems necessary to determine whether any person has violated or is about to violate any provision of this act or any rule or order hereunder, or to aid in the enforcement of this act or in the prescribing of rules and forms hereunder; and

(2) may require or permit any person to file a statement in writing, under oath or otherwise as the Administrator determines, as to all the facts and circumstances concerning the matter to be investigated.

10. Section 406 of the Predecessor Act provides in pertinent part:

(a) If the Administrator reasonably believes, whether or not based upon an investigation conducted under Section 405 of this title, that a person has violated the Oklahoma Securities Act, except upon the provisions of Section 202.1 or 305.2 of this title, or a rule or order of the Administrator under the Oklahoma Securities Act or has engaged in dishonest or unethical practices in the securities business, the Administrator, in addition to any specific power granted by any other section of the Oklahoma Securities Act, may impose one or more of the following sanctions:

* * *

(3) bar or suspend the person from association with a broker-dealer or investment adviser subject to the provisions of the Oklahoma Securities Act;

* * *

(5) issue an order against a person who willfully violates the Oklahoma Securities Act or a rule or order of the Administrator under the Oklahoma Securities Act, imposing a civil penalty up to a maximum of Five Thousand Dollars (\$5,000.00) for a single violation or transaction or of Fifty Thousand Dollars (\$50,000.00) for multiple violations or transactions in a single proceeding or a series of related proceedings.

Conclusions of Law

1. The Notes are securities as defined by Section 2 of the Predecessor Act.
2. Respondent transacted business in this state as an unregistered general securities agent and/or an unregistered issuer agent, in violation of Section 201 of the Predecessor Act and contrary to the provisions of 660:10-5-15 and 660:10-5-16 of the Predecessor Rules.
3. Respondent, directly or indirectly, made untrue statements of material fact in connection with the offer and/or sale of the Notes in and/or from the state of Oklahoma, in violation of Section 101 of the Predecessor Act.
4. Respondent failed to observe high standards of commercial honor and just and equitable principles of trade in connection with the offer and/or sale of the Notes in and/or from the state of Oklahoma, in violation of 660:10-5-42 of the Predecessor Rules.
5. The Administrator of the Department is authorized to bar Respondent from association with a broker-dealer or investment adviser subject to the Act and to impose a civil penalty against Respondent.

6. It is in the public interest to bar Respondent from association with a broker-dealer or investment adviser subject to the Act and to impose a civil penalty against Respondent.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

WHEREFORE, it is recommended that the Administrator: (1) bar Respondent from association with a broker-dealer or investment adviser subject to the Act; (2) impose a civil penalty against Respondent in the amount of Fifteen Thousand Dollars (\$15,000.00); and (3) impose any other sanctions as deemed appropriate and as authorized by law.

Dated this 25th day of June, 2007.

Respectfully submitted,



Terra Shamas Bonnell, OBA #20838

Oklahoma Department of Securities

120 North Robinson, Suite 860

Oklahoma City, OK 73102

Telephone: 405.280.7700

Facsimile: 405.280.7742